

**RESOLUTION GRANTING THIRD ROUND SUBSTANTIVE CERTIFICATION #44-09**

**Knowlton Township, Warren County**

WHEREAS, Knowlton Township, Warren County, petitioned the Council on Affordable Housing (COAH) for third round substantive certification of a Housing Element and Fair Share Plan addressing its total 1987-2018 affordable housing obligation on December 31, 2008; and

WHEREAS, Knowlton's petition was deemed complete on February 24, 2009; and

WHEREAS, Knowlton published notice of its petition in the *Star Ledger* on March 3, 2009, which is a newspaper of general circulation within the county, pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:96-3.5; and

WHEREAS, no objections to the plan were received by COAH during the 45-day objection period, which ended April 17, 2009; and

WHEREAS, Knowlton Township's fair share plan addresses its rehabilitation obligation of 14 units, a 14-unit prior round obligation, and a 60-unit projected growth share obligation; and

WHEREAS, Knowlton's plan proposes to address its 14-unit rehabilitation obligation through three credits for rehabilitated units, six units through the Warren County rehabilitation program, and a five-unit municipal rehabilitation program; and

WHEREAS, Knowlton's plan proposes to address its 14-unit prior round obligation with six post-1986 credits from the ARC of Warren County group home and four post-1986 credits and four rental bonuses from Fred Bauer apartments; and

WHEREAS, Knowlton's plan proposes to address its 60-unit projected growth share obligation with 10 family rental units and 10 rental bonuses in a market to affordable program, 10 family rental units in an accessory apartment program, 11 family rental units and five rental

bonuses in a gut rehabilitation program, and 14 units of proposed supportive and special needs housing; and

WHEREAS, pursuant to N.J.A.C. 5:97-3.2(a)4, Knowlton has provided an implementation schedule that demonstrates a realistic opportunity and sets forth a timetable for the submittal of all information and documentation required by N.J.A.C. 5:97-6.10 for the proposed supportive and special needs housing development; and

WHEREAS, pursuant to N.J.A.C. 5:96-6.2(a)2, on September 17, 2009 COAH issued a Compliance Report (attached as Exhibit A and incorporated by reference herein) recommending approval of Knowlton Township's petition for third round substantive certification; and

WHEREAS, there was a 14-day period to submit comments to the COAH Compliance Report pursuant to N.J.A.C. 5:96-6.2(b) and COAH received no comments.

NOW THEREFORE BE IT RESOLVED that the Housing Element and Fair Share Plan submitted by Knowlton Township comports to the standards set forth at N.J.S.A. 52:27D-314 and meets the criteria for third round substantive certification pursuant to N.J.A.C. 5:96-6.3; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(a) and after having reviewed and considered all of the above, COAH hereby grants third round substantive certification to Knowlton Township; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(e), Knowlton Township shall adopt all implementing Fair Share Ordinances within 45 days of the grant of substantive certification; and

BE IT FURTHER RESOLVED that if Knowlton fails to timely adopt its Fair Share Ordinances, COAH's grant of substantive certification shall be void and of no force and effect; and

BE IT FURTHER RESOLVED that Knowlton shall submit all Fair Share Ordinances to COAH upon adoption; and

BE IT FURTHER RESOLVED that within 45 days of the grant of substantive certification, Knowlton shall submit a resolution appointing an Administrative Agent and identifying for which units the agent will serve in this capacity; and

BE IT FURTHER RESOLVED that within 45 days of the grant of substantive certification, Knowlton shall submit an adopted ordinance establishing the position of municipal housing liaison and a resolution appointing a municipal employee to the position of municipal housing liaison; and

BE IT FURTHER RESOLVED that within 45 days of the grant of substantive certification, Knowlton shall submit an Affirmative Marketing Plan for COAH's approval, which must be adopted by resolution by the Township within 45 days of COAH's approval and submitted to COAH upon adoption; and

BE IT FURTHER RESOLVED that within 45 days of the grant of substantive certification, Knowlton shall submit to COAH operating manuals for the accessory apartment, market to affordable, and municipal rehabilitation programs, and an operating manual for the administration of rental units; and

BE IT FURTHER RESOLVED that Knowlton shall comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting the Township's actual growth pursuant to N.J.A.C. 5:97-2.5; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-10.1, COAH shall conduct biennial plan evaluations upon substantive certification of Knowlton's Housing Element and Fair Share Plan to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing; and

BE IT FURTHER RESOLVED that if upon any biennial review the difference between the number of affordable units constructed or provided in Knowlton and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a pro-rated production shortage of 10 percent or greater, the Township is not adhering to its implementation schedule pursuant to N.J.A.C. 5:97-3.2(a)4, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, COAH may direct Knowlton Township to amend its plan to address the shortfall; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-2.5(e), if the actual growth share obligation determined is less than the projected growth share obligation, Knowlton shall continue to provide a realistic opportunity for affordable housing to address the projected growth share; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(b), Knowlton's substantive certification shall remain in effect until December 31, 2018; and

BE IT FURTHER RESOLVED that any changes to the facts upon which this substantive certification is based or any deviations from the terms and conditions of this substantive certification which affect the ability of Knowlton Township to provide for the realistic opportunity of its fair share of low and moderate income housing and which the Township fails to remedy, may render this certification null and void.

I hereby certify that this resolution was  
duly adopted by the Council on Affordable

Housing at its public meeting on October 14, 2009.

A handwritten signature in black ink, reading "Renee Reiss". The signature is written in a cursive, flowing style. The first name "Renee" is written with a large, elegant loop for the 'R', and the last name "Reiss" follows in a similar cursive script.

Renee Reiss, Secretary

Council on Affordable Housing



***Council on Affordable Housing  
Compliance Report  
September 17, 2009***



**Municipality:** Knowlton Township  
**County:** Warren County

**COAH Region:** 2  
**Planning Area:** 4, 4B, 5  
**Special Resource Area:** None

**Housing Element and Fair Share Plan Adopted:** 12/8/2008  
**Petition for 3<sup>rd</sup> Round Substantive Certification:** 12/31/2008  
**Completeness Determination:** 2/24/2009  
**Date of Publication:** 3/3/2009

**Objections Received:** No

**Petition Includes:**

**VLA:** No  
**GPA:** No  
**Waiver:** No

**Date of Site Visit:** 5/22/2009

**History of Approvals:**

	<b>COAH</b>	<b>JOC</b>	<b>N/A</b>
<b>First Round:</b>			X
<b>Second Round:</b>	1/8/2003		
<b>Extended Certification:</b>			X

**Plan Preparer:** Paul Gleitz, P.P., AICP – Heyer, Gruel & Associates

**Municipal Housing Liaison:** Theresa Tamburro

**Recommendation:** Grant Substantive Certification

***SUMMARY OF FAIR SHARE OBLIGATION***

Rehabilitation Share	14
Prior Round Obligation	14
Projected Growth Share Obligation	60

***ACTUAL GROWTH and GROWTH SHARE through 9/30/08<sup>1</sup>***

<b>Res Units (#)</b>	<b>Actual Res Growth Share</b>	<b>Jobs (#)</b>	<b>Actual Non-Res Growth Share</b>	<b>Actual TOTAL Growth Share</b>
70	14 units	36	2 units	16 units

***COMPLIANCE PLAN SUMMARY***

<b>Obligation</b>	<b>Credit/ Mechanism Type</b>	<b># Units Completed</b>	<b># Units Proposed</b>	<b>TOTAL</b>
<b>Rehabilitation: 14 units</b>				
<b>Credits</b>	Post-April 1, 2000	3		3
<b>Programs</b>	County and Municipal		11	11
<b>Rehabilitation Subtotal</b>				<b>14</b>
<b>NEW CONSTRUCTION</b>				
<b>Prior Round: 14 units</b>				
<b>Credits</b>	Post-1986	10		10
<b>Prior Round Bonuses</b>	Rental	4		4
<b>Prior Round Subtotal</b>				<b>14</b>
<b>Growth Share: 60 units</b>				
<b>Proposed Mechanisms</b>	Accessory Apartment Program		10	10
	S/SN Housing		14	14
	Market to Affordable Program		10	10
	Gut Rehabilitation Program		11	11
<b>Growth Share Bonuses</b>	Rental		15	15
<b>Growth Share Subtotal</b>				<b>60</b>

<sup>1</sup> This number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.5; therefore, the actual growth share may vary.

## **I. HOUSING ELEMENT**

Pursuant to N.J.S.A. 40:55D-28(b), the Housing Element is a required section of the Municipal Master Plan. The Housing Element must be designed to achieve the goal of access to affordable housing to meet existing and future housing needs, with special attention given to low- and moderate-income households. The housing needs analysis must include demographic information on existing and projected housing stock and employment characteristics; a quantification of low- and moderate-income housing need; and a consideration of the lands within the municipality that are most appropriate to accommodate such housing. Knowlton's Housing Element includes sufficient information regarding housing stock, demographic and employment characteristics and population trends pursuant to N.J.S.A. 52:27D-310.

Under N.J.A.C. 5:97-2.1(b), the Housing Element must also set forth the municipality's fair share obligation, which is the sum of the rehabilitation share, the prior round obligation and the growth share.

### **A. Rehabilitation Share**

The rehabilitation share is the number of existing housing units within a municipality as of April 1, 2000, that are both deficient and occupied by households of low or moderate income. As indicated in Appendix B of N.J.A.C. 5:97, Knowlton has a rehabilitation share of 14 units.

### **B. Prior Round Obligation**

The prior round obligation is the cumulative 1987-1999 new construction obligation provided in Appendix C of N.J.A.C. 5:97. Knowlton has a prior round obligation of 14 units.

### **C. Projected Growth Share**

The projected growth share is initially calculated based on household (residential) and employment (non-residential) 2004-2018 projections. Pursuant to Appendix F of N.J.A.C. 5:97, Knowlton has a residential projection of 238 units and a non-residential projection of 193 jobs, which results in an initial projected growth share obligation of 60



affordable units. Pursuant to N.J.A.C. 5:97-2.4(a) Knowlton proposed to exclude one existing accessory apartment from its projected growth share obligation. This accessory apartment, however, was created prior to January 1, 2004 and is not an allowable exclusion. Therefore, Knowlton's total projected growth share for the period 1999-2018 is 60 affordable units consisting of a 48-unit projected residential growth share and a 12-unit projected non-residential growth share.<sup>2</sup>

#### **SUMMARY OF FAIR SHARE OBLIGATION**

Rehabilitation Share	14
Prior Round Obligation	14
Projected Growth Share Obligation	60

## **II. FAIR SHARE PLAN**

A Fair Share Plan, as required under N.J.A.C. 5:97-3.1, describes the completed or proposed mechanisms and funding sources, if applicable, that will be utilized to specifically address a municipality's rehabilitation share, prior round obligation, and growth share obligation and includes the draft ordinances necessary to implement that plan. Affordable housing must be provided in direct proportion to the growth share obligation generated by the actual growth.

Knowlton's Fair Share Plan, and the supporting documentation incorporated by reference therein, address the requirements of N.J.A.C. 5:97-3.1 as follows:

### **A. Plan to Address Rehabilitation Share**

#### **Rehabilitation Share Credits**

Knowlton is requesting credit for three units rehabilitated subsequent to April 1, 2000. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

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<sup>2</sup> Pursuant to N.J.A.C. 5:97-2.2(d), Knowlton's residential projection of 238 is divided by 5 to yield 47.60 units and the nonresidential projection of 193 jobs is divided by 16 to yield 12.06 units. Knowlton's total projected growth share is therefore 60 units (47.60 + 12.06).

### **Rehabilitation Credits**

<b>Rehabilitation Program</b>	<b># Credits</b>
Warren County Home Improvement Program	2
Knowlton Township Rehabilitation Program	1
<b>TOTAL</b>	<b>3</b>

### **Proposed Rehabilitation Programs**

#### ***Warren County Home Improvement Program***

Knowlton will utilize the Warren County Home Improvement Program to address six units of its rehabilitation obligation.

The Warren County Home Improvement Program is available for both owner-occupied and rental units. In addition, the Warren County Home Improvement Program requires that a major system in the housing unit be corrected, consistent with N.J.A.C. 5:97-6.2 and the units are required to have controls on affordability, in the form of perpetual liens. The program is administered by the Warren County Division of Planning. Knowlton does not anticipate expending any affordable housing trust funds on this program.

#### ***Knowlton Township Rehabilitation Program***

Knowlton will rely on its municipal rehabilitation program to address the remaining five units of its rehabilitation obligation.

Knowlton's municipal rehabilitation program is made available for both owner-occupied and rental units. Knowlton anticipates receiving \$110,000 in funding from the Small Cities program to finance its municipal rehabilitation program. The Township has received funding from this source in the past. On December 29, 2008, the Township passed a resolution of intent to bond in the event of a funding shortfall. Knowlton has designated Theresa Tamburro as the administrative agent responsible for administering the program. Knowlton must provide an affirmative marketing plan for the re-rental of rehabilitated units and an operating manual for the municipal rehabilitation program within 45 days of the grant of substantive certification.

### Proposed Rehabilitation Programs

Rehabilitation Program	# Units
Warren County Home Improvement Program	6
Knowlton Township Rehabilitation Program	5
<b>TOTAL</b>	<b>11</b>

## B. Plan to Address Prior Round Obligation

### Prior Round Obligation Credits

Knowlton is addressing its prior round obligation with 10 post-1986 credits and four rental bonuses. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

### Post-1986 Credits

Project/Development Name	Year	Type of Affordable Unit	# Units/ Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Fred Bauer Apartments	2006	Family rental	4	Rental	4	8
ARC of Warren County	2007	S/SN housing	6	-	0	6
<b>TOTALS</b>			<b>10</b>		<b>4</b>	<b>14</b>

### Prior Round Obligation Parameters

Knowlton has satisfied the applicable prior round parameters as follows:

### Prior Round Rental Obligation<sup>3</sup>: 4 Units

Development/Project Name	Type of Affordable Unit	# Units
Fred Bauer Apartments	Family rental	4
ARC of Warren County	S/SN housing	6
<b>TOTAL</b>		<b>10</b>

<sup>3</sup> Rental Obligation: .25(PRO - Prior Cycle Credits) or .25(14-0)= 4 units N.J.A.C. 5:97-3.10(b)1

**Prior Round Rental Bonus Maximum<sup>4</sup>: 4 Units**

<b>Development/Project Name</b>	<b>Type of Bonus</b>	<b># Bonuses</b>
Fred Bauer Apartments	Rental	4
<b>TOTAL</b>		<b>4</b>

**C. Plan to Address Projected Growth Share**

**Proposed Affordable Housing Mechanisms**

Knowlton proposes to address its 60-unit growth share obligation through the following mechanisms:

***Accessory Apartment Program***

Knowlton will utilize an accessory apartment program to address 10 units of its projected growth share obligation.

The Township has an existing accessory apartment ordinance that permits accessory apartments in all residential zones. Knowlton's ordinance permits accessory apartments to be created within an existing home, created in an existing accessory structure, or created as an addition to the existing home or accessory structure. The accessory apartments created through the program will be family rentals and will be deed restricted to be made available to low- and moderate-income households for a minimum period of 10 years. The Township anticipates one accessory apartment per year being created between 2009 and 2018.

The Township's housing stock and residential lots lend themselves to an accessory apartment program, as the Township is typified by large single-family homes on large lots, many of which have existing accessory structures suitable for conversion to an accessory apartment. Knowlton is not served by public water and has limited public sewer, however, the existing accessory apartment ordinance requires an adequate potable water supply and sewage disposal system for the accessory apartment to be approved.

Knowlton will dedicate a minimum of \$25,000 per moderate-income unit and \$30,000 per low-income unit to subsidize the creation of an accessory apartment. The

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<sup>4</sup> No rental bonuses shall be granted for rental units in excess of the prior round rental obligation, therefore, PR Rental Bonus Maximum = PR Rental Obligation N.J.A.C. 5:97-3.5

Township anticipates expending a minimum of \$275,000 in affordable housing trust funds to support the program. The accessory apartment program is included in Knowlton's spending plan and the Township passed a resolution of intent to bond in the event of a funding shortfall.

Knowlton has designated Theresa Tamburro as the administrative agent responsible for administering the program. Knowlton must provide an affirmative marketing plan and an operating manual for the accessory apartment program within 45 days of the grant of substantive certification. The units must be affirmatively marketed and have the proper affordability controls and rental pricing.

### ***Gut Rehabilitation Program***

Knowlton will rely on a gut rehabilitation program to address 16 units of its projected growth share obligation through 11 affordable family rental units and five rental bonuses.

Knowlton has previously undertaken a gut rehabilitation project and the Township is proposing to replicate this project on a wider scale during the period of third round substantive certification. The previous gut rehabilitation produced four affordable units that were completed in 2006 and are being used to address the Township's prior round obligation. This program will be a partnership between the Township and property owners and will convert existing market-rate or below-market-rate multi-family units to affordable units. Existing substandard dwellings will be substantially demolished, rebuilt, and brought into conformance with code standards. Rehabilitated units will be made affordable to low- and moderate-income households and deed restricted for a minimum of 30 years. Knowlton anticipates at least one unit per year from 2009 to 2018 undergoing gut rehabilitation, with a second unit undergoing gut rehabilitation during the second or third year of the program.

The Township has identified six properties, with a total of 13 units that it has determined would be suitable for reconstruction through the gut rehabilitation program. During the public outreach process that led to the Township's initial gut rehabilitation project, the owners of several of the identified properties approached the municipality with an interest in participating in the program. The Township has additionally

approached the owners of several of the identified properties to inform them of the program and to express the municipality's interest in these properties undergoing reconstruction and being made available to low- and moderate-income households.

The Township will dedicate a minimum of \$25,000 for the gut rehabilitation of a moderate-income unit and a minimum of \$30,000 for the gut rehabilitation of a low-income unit. A minimum of \$295,000 in affordable housing trust funds will be expended on the gut rehabilitation program. The program is identified in Knowlton's spending plan and the Township passed a resolution of intent to bond in the event of a funding shortfall. Knowlton anticipates that its municipal financial contribution will subsidize a portion of the reconstruction costs, while the Township expects the property owners with which it will partner in the program to additionally make a substantial financial contribution to their respective projects.

Knowlton has designated Theresa Tamburro as the administrative agent responsible for administering the gut rehabilitation program. The Township must also provide an affirmative marketing plan and an operating manual for the administration of rental units within 45 days of the grant of substantive certification.

#### ***Market to Affordable Program***

Knowlton will rely on a market to affordable program to address 20 units of its projected growth share obligation, which comprises 10 affordable family rental units and 10 rental bonuses.

The market to affordable program will be designed to be available for family rental units only. Units will be subsidized through a written agreement with the property owner and rented to moderate- and low-income households. Knowlton anticipates that one unit per year from 2009 to 2018 will be converted from a market-rate unit to a unit affordable to moderate- and low-income households. The Township has identified seven existing rental properties with a total of 25 rental units that it feels would be suitable and likely candidates for the market to affordable program.

The Township will provide a minimum subsidy of \$25,000 per unit to subsidize moderate-income units and \$30,000 per unit to subsidize low-income units. Knowlton will utilize a minimum of \$275,000 in affordable housing trust funds to provide the

financing to support the program. The market to affordable program is included in Knowlton's spending plan and the Township passed a resolution of intent to bond in the event of a funding shortfall.

Knowlton has designated Theresa Tamburro as the administrative agent responsible for administering the market to affordable program. Knowlton must provide an affirmative marketing plan and an operating manual for the market to affordable program within 45 days of the grant of substantive certification. The units must be certified to be in sound condition as a result of an inspection performed by a licensed building inspector, be affirmatively marketed, and have the proper affordability controls and rental pricing.

### ***Supportive and Special Needs Housing***

Knowlton will rely on two proposed supportive and special needs housing projects to address the remaining 14 units of its projected growth share obligation.

Knowlton will follow an implementation schedule in developing the supportive and special needs housing, which the Township anticipates to be two group homes. Pursuant to N.J.A.C. 5:97-3.2(a)4, Knowlton has provided an implementation schedule that demonstrates a realistic opportunity and sets forth a timetable for the submittal of all information and documentation required by N.J.A.C. 5:97-6.10.

Although Knowlton has yet to identify specific sites for these developments, the Township has indicated it intends to work with the ARC of Warren County to develop the projects, with whom the Township has previously cooperated on developing a six-bedroom group home.

The Township's mechanism checklist form includes a timetable for each step of the development process in accordance with N.J.A.C. 5:97-6.10(e). This timetable indicates that construction on one group home, to contain six bedrooms, will begin in December 2014 and will be occupied in June 2015 and that construction on the second group home, to contain eight bedrooms, will begin in December 2016 and will be occupied in June 2017. Supporting documentation for each project is required to be

submitted to COAH no later than two years before construction on each respective project begins, or by 2012 and 2014 respectively.

The Township will issue public bonds to assist in financing the two projects. Both bonds will be issued prior to construction of the group homes, one for an approximate amount of \$120,000 and the other for an approximate amount of \$160,000. The Township passed a resolution of intent to bond in the event of a funding shortfall on.

#### **Proposed Growth Share AH Mechanisms**

<b>Type/Name of Affordable Housing Mechanism</b>	<b>Type of Affordable Unit</b>	<b># Units/Bedrooms</b>	<b>Bonus Type</b>	<b># Bonuses</b>	<b>Total Units/Bedrooms + Bonuses</b>
Accessory Apartment Program	Family rental	10	-	0	10
Market to Affordable Program	Family rental	10	Rental	10	20
Gut Rehabilitation Program	Family rental	11	Rental	5	16
Proposed Group Home 1	S/SN housing	8	-	0	8
Proposed Group Home 2	S/SN housing	6	-	0	6
<b>TOTALS</b>		<b>45</b>		<b>15</b>	<b>60</b>

#### **Growth Share Parameters**

Knowlton has satisfied the applicable growth share parameters as follows:

#### **Growth Share Rental Obligation<sup>5</sup>: 15 Units**

<b>Development/Project Name</b>	<b>Type of Affordable Unit</b>	<b># Units</b>
Accessory Apartment Program	Family rental	10
Market to Affordable Program	Family rental	10
Gut Rehabilitation Program	Family rental	11
Proposed Group Home 1	S/SN housing	8
Proposed Group Home 2	S/SN housing	6
<b>TOTAL</b>		<b>45</b>

<sup>5</sup> Projected Growth Share Rental Obligation: .25(Projected Growth Share) or .25(60)= 15 units N.J.A.C. 5:97-3.10(b)3



**Growth Share Family Rental Requirement<sup>6</sup>: 8 Units**

Development/Project Name	Type of Affordable Unit	# Units
Accessory Apartment Program	Family rental	10*
Market to Affordable Program	Family rental	10
Gut Rehabilitation Program	Family rental	11
<b>TOTAL</b>		<b>31</b>

\*In accordance with N.J.A.C. 5:97-3.6(a)4, eight of these units are addressing the minimum family rental requirement and are therefore not eligible to receive rental bonuses.

**Growth Share Minimum Family Requirement<sup>7</sup>: 23 Units**

Development/Project Name	Type of Affordable Unit	# Units
Accessory Apartment Program	Family rental	10
Market to Affordable Program	Family rental	10
Gut Rehabilitation Program	Family rental	11
<b>TOTAL</b>		<b>31</b>

**Very Low Income Minimum Requirement<sup>8</sup>: 6 Units**

Development/Project Name	Type of Affordable Unit	# Units
Market to Affordable Program	Family rental	4
Gut Rehabilitation Program	Family rental	4
Proposed Group Home 1	S/SN housing	8
Proposed Group Home 2	S/SN housing	6
<b>TOTAL</b>		<b>22</b>

**Bonus Maximum<sup>9</sup>: 15 Bonuses**

Development/Project Name	Type of Bonus	# Bonuses
Market to Affordable Program	Rental	10
Gut Rehabilitation Program	Rental	5
<b>TOTAL</b>		<b>15</b>

<sup>6</sup> Projected Growth Share Family Rental Requirement: .5(Projected Growth Share Rental Requirement) or .5(15)= 8 units N.J.A.C. 5:97-3.4(b)

<sup>7</sup> Projected Growth Share Family Requirement: .5(Units Addressing Growth Share Obligation) or .5(45)= 23 units N.J.A.C. 5:97-3.9

<sup>8</sup> Growth Share Very Low Income Requirement: .13(Units Addressing Growth Share Obligation) or .13(45)= 6 units N.J.S.A. 52:27D-329.1

<sup>9</sup> Projected Bonus Maximum: .25(Projected Growth Share) or .25(60)= 15 units N.J.A.C. 5:97-3.20(b)

**Actual Growth Share Obligation**

The actual growth share obligation will be based on permanent certificates of occupancy issued within the municipality for market-rate residential units and newly constructed or expanded non-residential developments in accordance with Appendix D of N.J.A.C. 5:97. At plan evaluation review pursuant to N.J.A.C. 5:96-10, COAH will compare the actual growth share obligation with the actual number of affordable units constructed.

The New Jersey Department of Community Affairs *Construction Reporter* indicates that between January 1, 2004 and September 30, 2008, Knowlton has issued certificates of occupancy for 70 housing units and the non-residential square footage equivalent of 36 jobs, yielding an actual growth share obligation through September 30, 2008 of 16 affordable units.<sup>10</sup>

**D. Summary of Plan to Address Fair Share Obligation**

**REHABILITATION SHARE SUMMARY**

**Rehabilitation Share: 14 Units**

<b>Program Name</b>	<b>Credits</b>	<b>Proposed</b>
Knowlton Township Rehabilitation Program	1	5
Warren County Home Improvement Program	2	6
<b>Subtotal</b>	<b>3</b>	<b>11</b>
<b>TOTAL</b>		<b>14</b>

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<sup>10</sup> The number of residential COs (70) is initially divided by 5 to yield 14 units and the number of jobs (36) is divided by 16 to yield 2 units. Knowlton's total actual growth share is therefore 16 units (14 + 2). **Note:** This number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.5; therefore, the actual growth share may vary.

**PRIOR ROUND SUMMARY**  
**Prior Round Obligation: 14 Units**

	<b>Name of Mechanism</b>	<b># Units/ Bedrooms</b>	<b>Bonus Type</b>	<b># Bonuses</b>	<b>Total Units/Bedrooms + Bonuses</b>
<b>Post-1986 Credits</b>	Fred Bauer Apartments	4	Rental	4	8
	ARC of Warren County	6	-	0	6
<b>Subtotal</b>		<b>10</b>		<b>4</b>	<b>14</b>
<b>TOTAL</b>					<b>14</b>

**GROWTH SHARE SUMMARY**  
**Projected Growth Share Obligation: 60 Units**

	<b>Name of Mechanism</b>	<b># Units/ Bedrooms</b>	<b>Bonus Type</b>	<b># Bonuses</b>	<b>Total Units/Bedrooms + Bonuses</b>
<b>Proposed Mechanisms</b>	Accessory Apartment Program	10	-	0	10
	Gut Rehabilitation Program	11	Rental	5	16
<b>Proposed Mechanisms, cont.</b>	Market to Affordable Program	10	Rental	10	20
	Proposed Group Home 1	8	-	0	8
	Proposed Group Home 2	6	-	0	6
<b>Subtotal</b>		<b>45</b>		<b>15</b>	
<b>TOTAL</b>					<b>60</b>

**III. FAIR SHARE DOCUMENT REVIEW**

**A. Development Fee Ordinance**

Knowlton submitted a draft amended development fee ordinance for COAH's review and approval with its third round petition. The amended development fee ordinance will be reviewed by COAH in a separate report.

**B. Third Round Spending Plan**

A revised third round spending plan was submitted by Knowlton with the Township's third round petition for COAH's review and approval. The spending plan will be reviewed by COAH in a separate report.

**C. Affordable Housing Ordinance/Affordable Housing Administration**

Knowlton has submitted a draft affordable housing ordinance that comports with the requirements of the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et seq., which was amended on December 20, 2004. The draft proposed ordinance has been amended to comply with the Barrier Free Subcode of the State Uniform Construction Code Act (N.J.S.A. 52:27D-119 et seq.) and the accessibility requirements of N.J.S.A. 52:27D-123.15. The draft ordinance must be adopted within 45 days of COAH's grant of substantive certification and submitted to COAH immediately upon adoption.

Knowlton must submit an adopted ordinance establishing the position of a municipal housing liaison and a resolution appointing a municipal employee to the position of municipal housing liaison within 45 days of the grant of substantive certification.

Knowlton is responsible for the continued re-sale and re-rental of existing affordable units and the initial sale and rental of newly constructed affordable units within the Township and must identify an experienced administrative entity for that purpose by contract, agreement or letter. Knowlton must submit a resolution appointing Theresa Tamburro as its administrative entity and identifying for which affordable units she will serve in this capacity, within 45 days of the grant of substantive certification. Pursuant to N.J.A.C. 5:80-26.14(b), Knowlton must submit a written operating manual for administering affordable units within the Township within 45 days of the grant of substantive certification.

**D. Affirmative Marketing Plan**

Knowlton must submit an affirmative marketing plan that comports with the requirements of the UHAC and ensures all future affordable housing units will be

affirmatively marketed to the region upon initial sale/rental and re-sale/re-rental. The affirmative marketing plan must be adopted by resolution by the Township within 45 days of COAH's approval and submitted to COAH.

#### **IV. MONITORING**

Knowlton must comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting the municipality's actual growth pursuant to N.J.A.C. 5:97-2.5. As indicated above, credits for built units will be validated and verified by COAH staff during monitoring prior to the first biennial plan evaluation. It should be noted that credits for affordable housing programs and/or affordable units must be in compliance with N.J.A.C. 5:97-4. If the units are determined not to be eligible for credit, COAH will notify Knowlton in writing and the Township may be directed to amend its certified plan to address the shortfall.

Pursuant to N.J.A.C. 5:96-10.1, COAH will conduct biennial plan evaluations upon substantive certification of Knowlton's Housing Element and Fair Share Plan. The purpose of the plan evaluation is to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in Knowlton and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a pro-rated production shortage of 10 percent or greater, Knowlton is not adhering to its implementation schedule pursuant to N.J.A.C. 5:97-3.2(a)4, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct the municipality to amend its plan to address the shortfall.

#### **V. RECOMMENDATION**

COAH staff recommends that Knowlton be granted third round substantive certification. Knowlton must adopt all necessary implementing ordinances within 45 days of the grant of substantive certification and submit certified copies of the adopted ordinances to COAH within seven days of the adoption.

Knowlton must additionally provide the following documents to COAH within 45 days of the grant of substantive certification:

1. An Affirmative Marketing plan for COAH's approval, which must be adopted by resolution by the Township within 45 days of COAH's approval and submitted to COAH.
2. Copies of operating manuals for the market to affordable, accessory apartment, and municipal rehabilitation programs and an operating manual for the administration of rental units.
3. An adopted ordinance establishing the position of a municipal housing liaison and a resolution appointing a municipal employee to the position of municipal housing liaison.
4. A resolution appointing Theresa Tamburro to the position of administrative agent.